

## **Skilled nursing facility services: assessing payment adequacy and updating payments**

**ISSUE:** Are Medicare payments for skilled nursing facility (SNF) care adequate? How should payments for fiscal year 2007 be updated?

**KEY POINTS:** We examine six factors to determine whether payments for SNF care in fiscal year 2006 are adequate:

- Access to care,
- Supply of providers,
- Volume of services,
- Quality of care,
- Access to capital, and
- Payments and costs.

We then examine how costs are likely to change in 2007 and present a draft recommendation.

**ACTION:** Commissioners should review the findings in preparation for decision making.

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